

Gender Diversity and UK Corporate Financial Health: Stronger Credits Have More Female Board Members

March 2022

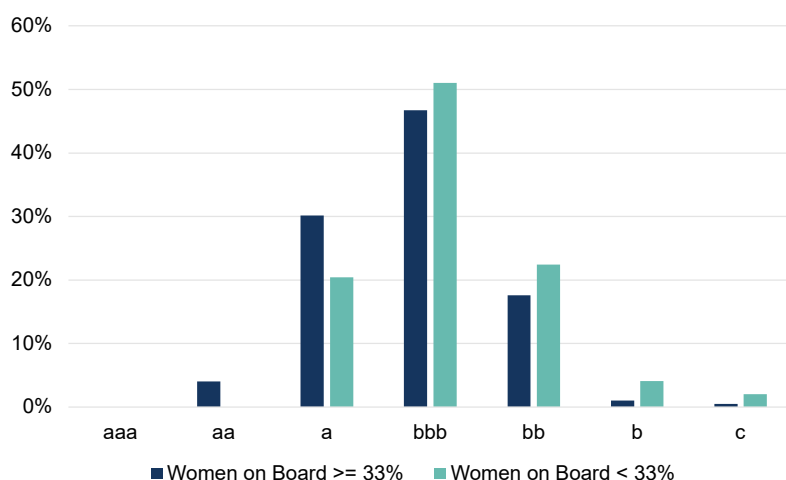
In 2011, FTSE350 boards were 91% male, and 150 of those companies had no female board members at all. In 2015, the Hampton-Alexander review set a 2020 target of 33% for [average female representation](#) – and this was achieved in May 2020.

Companies that embrace diversity are more likely to be progressive in multiple ways, but corporate diversity also exerts a subtle but powerful and direct influence on performance, because constraints in any form tend to be bad for business. A [McKinsey & Company report](#) found that the greater the representation of women executives at a company, the higher the likelihood of outperformance - with up to 48% separating the most from the least gender-diverse companies.

A gender-diverse leadership certainly seems to be linked to financial strength; consensus credit ratings are noticeably better in companies with more females on their board. Credit Benchmark currently cover 248 companies in the FTSE350 universe, and 80% of these companies meet the 33% target for women on their board.

Figure 1 shows the credit distributions of the 248 companies in the FTSE350 universe that meet / don't meet the 33% target for women on boards.

Figure 1: Credit Distribution of 248 companies in FTSE350 universe, Jan-2022

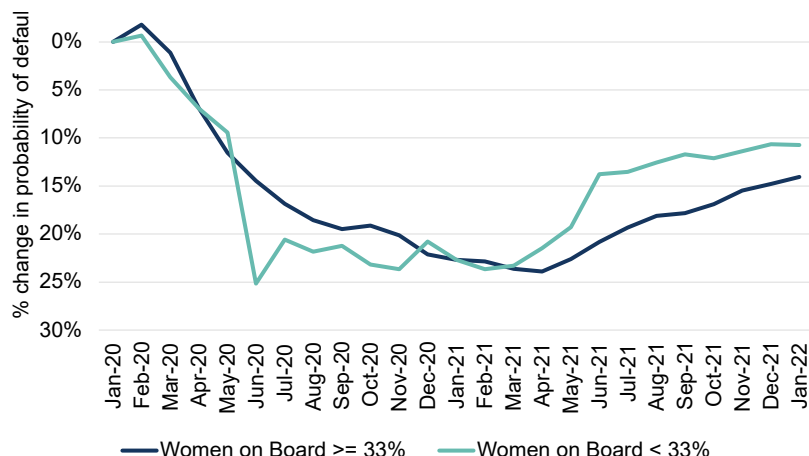


81% of companies who do meet the 33% target for women on boards have an IG credit rating in Jan-2022. This is 10 percentage points higher than companies who do not meet the 33% target.

In addition, 4% of companies that meet the target have a credit rating of **aa**; those that miss the target have no companies higher than the **a** category.

Figure 2 shows credit trends for the 248 companies in the FTSE350 companies that meet vs. don't meet the 33% target for women on boards.

Figure 2: Credit Trends



Companies that don't meet the 33% target were initially hit faster and harder by Covid; but by early 2021, both groups had deteriorated by more than 20%.

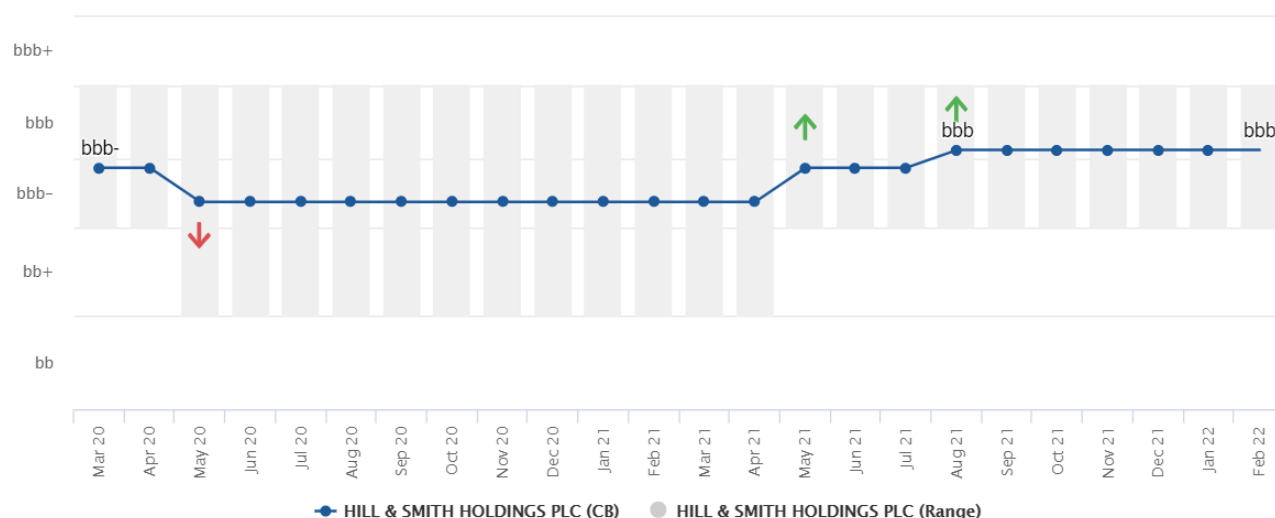
Companies that did not meet the target were initially quicker to recover but the rate has since slowed. Those that met the target show a later but less volatile improvement.

Serco Group PLC and Hill & Smith Holdings PLC are examples of FTSE350 companies who meet the 33% target for women on their boards. Both companies have shown improvement in the past year and currently hold an IG credit rating. Both companies are currently not rated by either S&P or Fitch.

Figure 3: Serco Group PLC



Figure 4: Hill & Smith Holdings PLC



About Credit Benchmark

Credit Benchmark brings together internal credit risk views from 40+ of the world's leading financial institutions. The contributions are anonymized, aggregated, and published in the form of entity-level Credit Consensus Ratings (CCRs) and aggregate analytics to provide an independent, real-world perspective of risk. CCRs are available for 60,000 financials, corporate, funds, and sovereign entities globally across emerging and developed markets, and 90% of the entities covered are otherwise unrated.

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Real-world risk views with unparalleled consensus coverage.

Credit Benchmark provides Credit Consensus Ratings and Analytics based on contributed risk views from 40+ of the world's leading financial institutions, including 15 GSIBs, domiciled in the US, Continental Europe, Switzerland, UK, Japan, Canada, Australia and South Africa.

For regulatory and business reasons, these financial institutions have each created their own regulated internal credit rating agency to assess the creditworthiness of tens of thousands of obligors. Credit Benchmark collects, aggregates and anonymises this information to provide an independent, real-world perspective of risk, delivered twice monthly to our partners.

Credit Benchmark fills an information gap left open by traditional credit risk content providers by offering a timely, comprehensive view of credit risk which proves complementary to issuer-paid rating agencies and third party model vendors. The first of its kind "credit consensus" data reflects the expertise of more than 20,000 credit analysts across the contributing group – a powerful example of the wisdom of crowds.

Credit Consensus Ratings and Analytics are available on over 60,000 corporate, financial, fund and sovereign entities globally, most of which are unrated by credit rating agencies.

Data that works for you

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

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Data Use Cases

- Counterparty Risk Management
- Credit Risk Management
- Systematic Credit Trading
- Securities Finance
- Supply Chain Risk
- Trade Credit Insurance
- Fund Management
- Regulation, RWA & Capital
- Onboarding, KYC & Relationship Management
- Point-in-Time (PIT) Impairments
- Accounts Payable & Receivable



10 Million

Contributed Credit Risk Estimates Per Year
40 Million+ Estimates Collected Since Launch



60,000+

Entities Covered



2x

Twice Monthly Frequency



75%

Unrated by Major Credit Rating Agencies



1,100+

Aggregates



100+

Countries



75+

Months of Data



50+

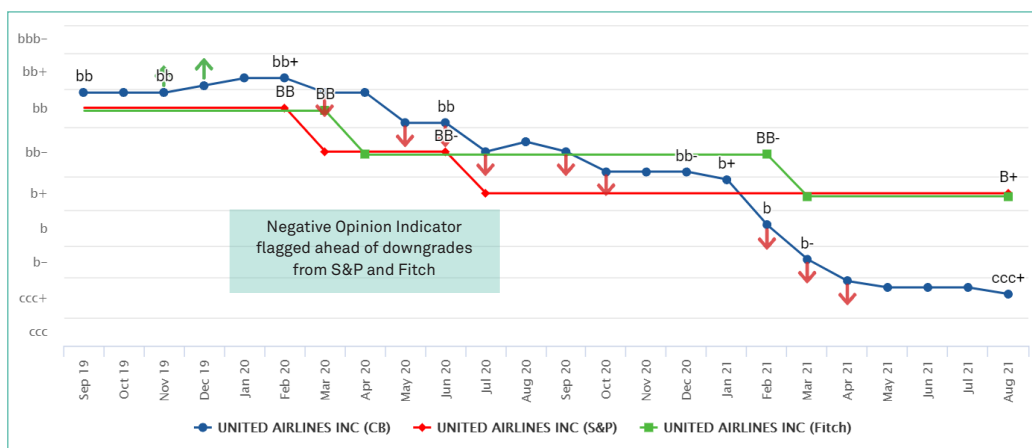
Data Metrics



40+

Contributing Financial Institutions Representing a Pool of 20,000+ Credit Analysts

Real-world risk views with unparalleled consensus coverage



Credit Consensus Rating:
Unique measure of creditworthiness based on the views of 40+ leading global financial institutions

Consensus Analytics:
Insights into the depth, dispersion, movement, and directionality of the Credit Consensus Rating's underlying views

Opinion Indicator: Month over month observation-level net downgrades or upgrades

Credit Benchmark Web App: Entity-Level Data Sample

Build screener with criteria below:

- ☒ S&P Rating is **Unrated**
- ☒ Fitch Rating is **Unrated**
- ☒ CCR is **aaa** **aa+** **aa** **aa-** **a+** **a** **a-** **bbb+** **bbb** **bbb-**

44,628 Entities found

Screen for public and non-publicly rated entities within specific geographies, industries, sectors and within your defined rating thresholds

CBID	Entity Name	Credit Consensus Rating	S&P Rating	Fitch Rating
CB0000000009	IHS GLOBAL CANADA LTD	bbb-	Unrated	Unrated
CB0000000025	GYP HOLDINGS III CORP	bb	Unrated	Unrated
CB0000000080	GESTIELLE CEDOLA DUAL BRAND	a-	Unrated	Unrated
CB0000000087	TRANE TECHNOLOGIES LUXEMBOURG FINANCE SA	bbb+	Unrated	Unrated
CB0000000088	TECK HIGHLAND VALLEY COPPER PARTNERSHIP	bbb	Unrated	Unrated

Credit Benchmark Web App: Data Screen Sample

Data that works for you:

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

Contact us to learn more and get a free trial of our data.

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